



DanaRupiah

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One of the Leading Non-Bank Fintech Lending
Platforms in Indonesia

December 2021

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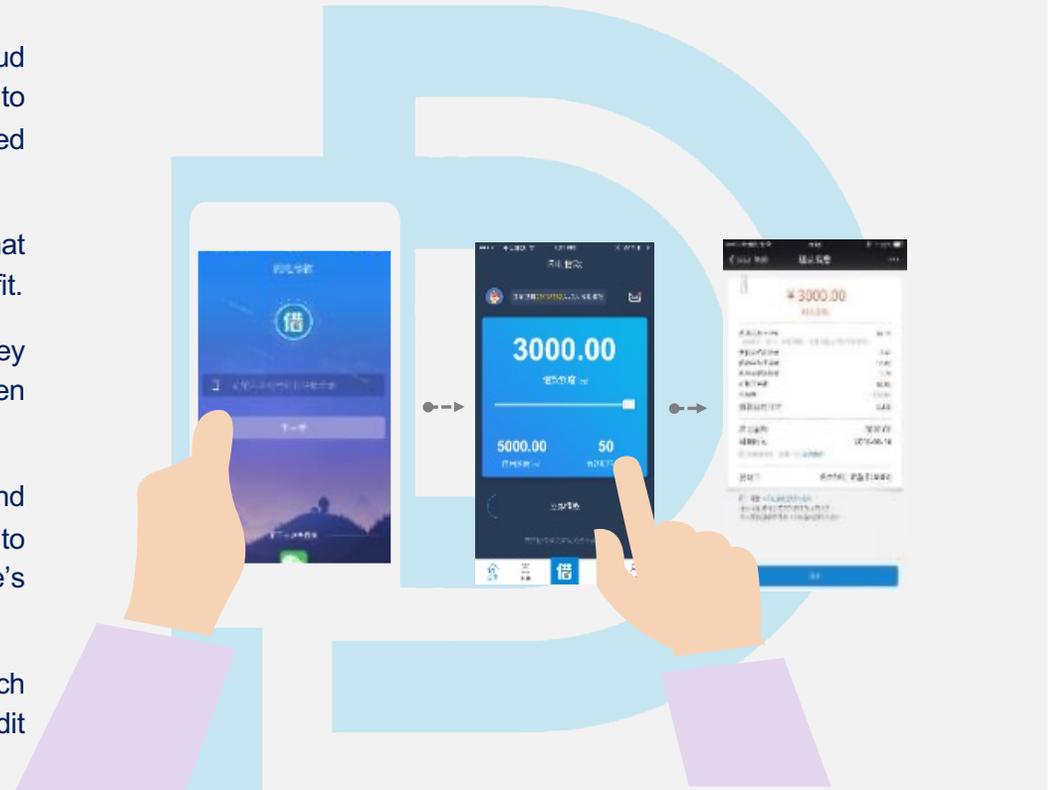
Part 1

Fintech and Non-Bank Lending

Part 1

Fintech and Non-Bank Lending

- Fintech describes any company using the internet, mobile devices, software technology or cloud services to perform or connect with financial services. Many fintech products are designed to connect consumers' finances with technology for ease of use, although the term is also applied to business-to-business (B2B) technologies as well.
- A non-bank lender is a lender who is not a bank, building society or credit union, but one that has its own source of wholesale funds and lends those funds out with an added margin for profit.
- There are several major benefits associated with using a non-bank lender. The fact that they borrow their funds at wholesale prices means they have a big margin to work with and can often provide lower interest rates than the banks.
- Another advantage of non-banks over traditional banks is their size. Since they are smaller and subject to a different set of regulations, non-banks tend to be more flexible in their approach to lending. They are in a better position to be able to tailor their loan products to suit people's individual circumstances.
- Unlike traditional banks, non-bank lenders are often willing to lend to higher risk borrowers such as those who are self-employed. They can also be more accommodating of fluctuating credit history and offer faster turnaround times on loan applications.





Part 2

Weshare Group Introduction

Part 2

Weshare Group Introduction



Zhang Jinghua
Founder, Chairman



1500+
Employees



1,000+
Overseas Team



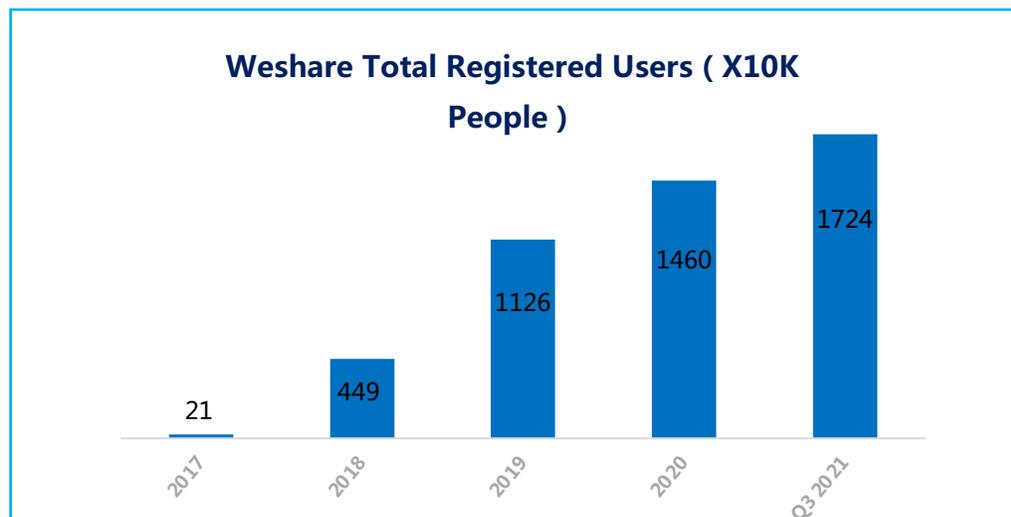
60%
Technical Staff Ratio

- DanaRupiah is part of the Weshare Group. Weshare was founded in 2014 by Mr. Zhang Jinghua who previously worked as a senior executive at Samsung and Motorola. Mr. Zhang has a MBA from Peking University and an EMBA from Tsinghua University.
- Weshare is committed to providing financial technology services on a global scale through continuous exploration and innovation of cutting-edge technologies such as big data, cloud computing, artificial intelligence, and blockchain. As a global company, Weshare has a presence in numerous countries around the world including Singapore, Indonesia, Vietnam, The Philippines, Russia, India, Kenya, Nigeria and Mexico. Weshare employs more than 500 employees and total transaction volume exceeded USD 1.3 billion in 2021.

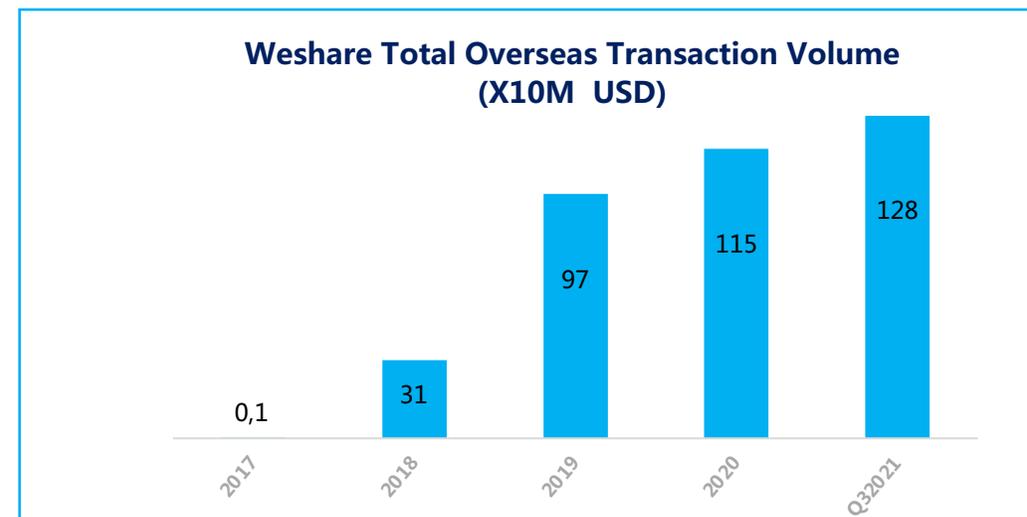
Part 2

Weshare Group Introduction

- As of Oct 2021, Weshare has more than 17 million registered users
- According to APP Annie (July 2020), Weshare is ranked 2nd in the world in terms of the number of countries it has operations in and 11th in the world in terms of the number of app downloads. *(excludes China market)*
- This demonstrates Weshare's status as a major player in the global microfinance industry



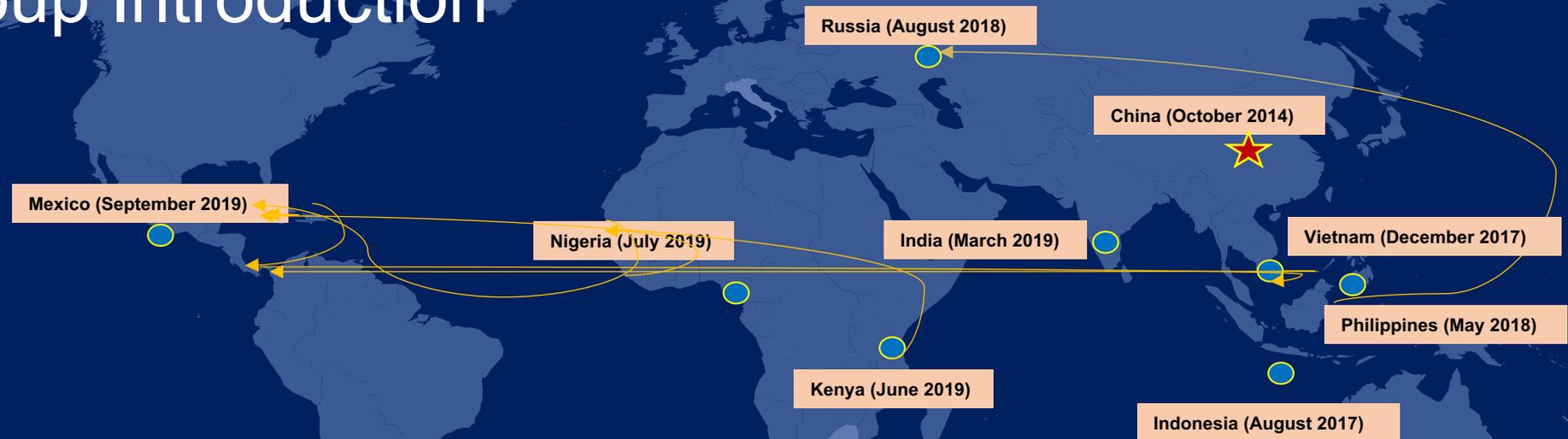
Total Registered Users
Exceeded **17 Million People**



Total Overseas Transaction Volume
Exceeded **USD 1.2 Billion**

Part 2

Weshare Group Introduction



(OJK) Lending License Loan license Financial Services License Microfinance License Microfinance License Loan license Loan license Loan license

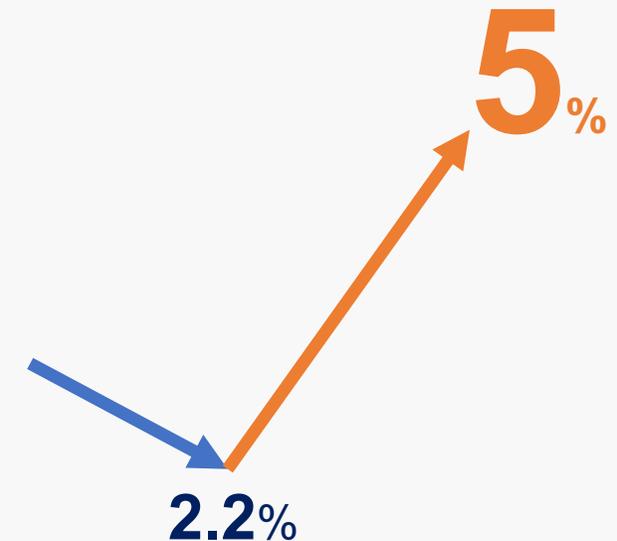


Part 3

Market Analysis

Indonesia GDP growth expected to rebound in 2021

- Looking at the latest development, Indonesia is not likely to reach its pre-pandemic level of 5% GDP growth in 2021. One key factor is the occurrence of another wave of Covid-19 caused by the emergence of Delta Variant. This wave of pandemic has skyrocketed the daily cases which forces the authorities to implement the strictest lockdown during July until August 2021. We are in the view of the decline in Q3 2021 growth that we predict at around 4.1% (y.o.y) (estimate range from 3.9% to 4.3%) and another rebound in the last quarter of 2021; making the forecasted growth for FY 2021 at 3.8% (estimate range from 3.7% to 3.9%) for FY2021. However, the vast increase in economic activity after relaxation of social restriction in August could create a serious risk of another Covid-19 cases spike towards the end of 2021. If this scenario comes into a realization, the rebound in Q4 2021 might not happen and could deteriorate further the overall figure of 2021 economic growth. Remaining vigilant on the risk of Covid-19 spread by maintaining strict health protocol and boosting the vaccination rate are the main key to ensure a robust economic growth while 'living with the pandemic'. Being able to achieve these two things would put Indonesia in a better course of achieving pre-pandemic level of growth in 2022, despite all the uncertainties. Accordingly, GDP is projected to grow higher at around 5.1 to 5.4% for overall 2022.



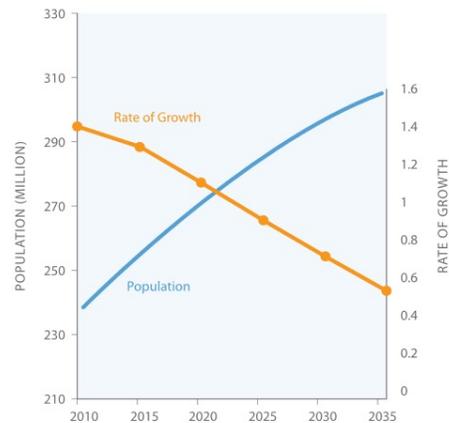
Indonesia's gross domestic product (GDP) is forecast to shrink 2.2 percent in 2020 and rebound to 5.1 to 5.4% percent growth in 2022

Part 3 Market Analysis

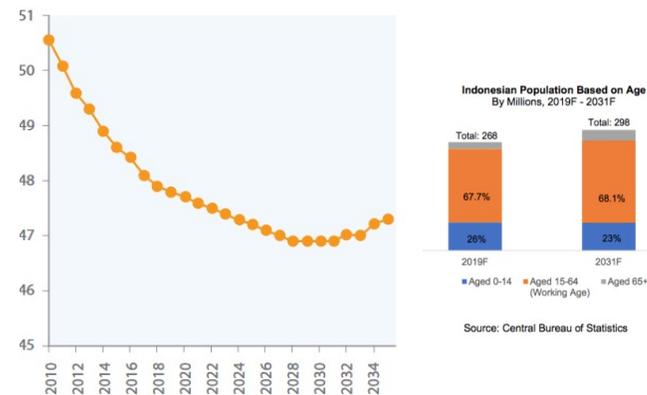
Indonesia Demographics

- Indonesia is the world's fourth most populous country with more than 270 million people and its median age is about 29.7 years old. The official population projections for Indonesia show that considerable population growth will take place over the next 25 years, though the rate of increase will be slowing. The younger segment of the working-age population – those aged 15-29 – will continue to increase slowly. The working-age population of more mature age – those aged 30-64 - will increase rapidly, as a result of higher fertility rates at the time when they were born. Indonesia's relatively low and falling dependency ratio is very favorable for its economic growth.
- The changes in Indonesia's age structure will in many ways be favorable for more rapid economic development and steady rise in per capita income levels, though much will depend on the quality of Indonesia's economic and social planning and the efficiency with which development programs are conducted.

Projection of Indonesia's Population, 2010-2035

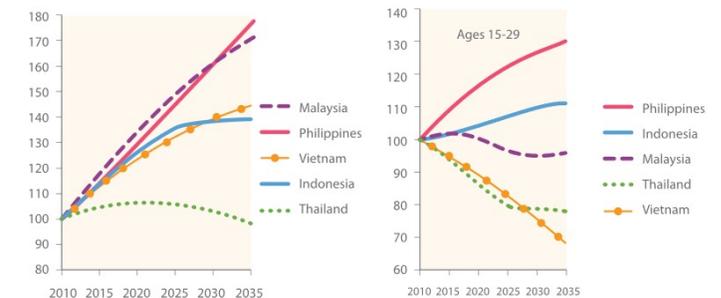


Trend in Dependency Ratio (0-14 & 65+/15-64)



Source: Indonesia: Indonesia Population Projection, 2013

Index of Growth of Working Age Population, selected Southeast Asian countries (2010=100)



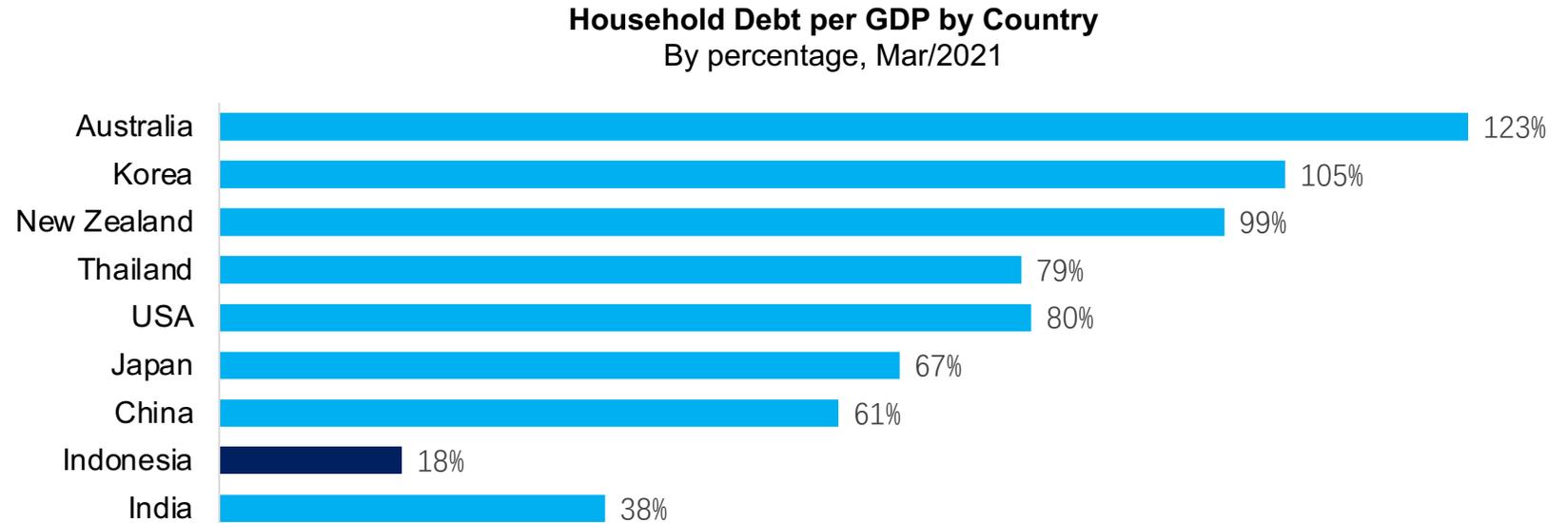
Source:

Indonesia: Indonesia Population Projection, 2013

All other countries: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2012 Revision, <http://esa.un.org/unpd/wpp/Index.htm>

There is a huge potential for debt growth in Indonesia.

- One of the key elements that can boost economic growth effectively is the utilization of credit to boost spending and accelerate production capabilities. However, Indonesia has a very low loan disbursement per GDP compared to other countries indicating that its financing capacity is not yet fully utilized.

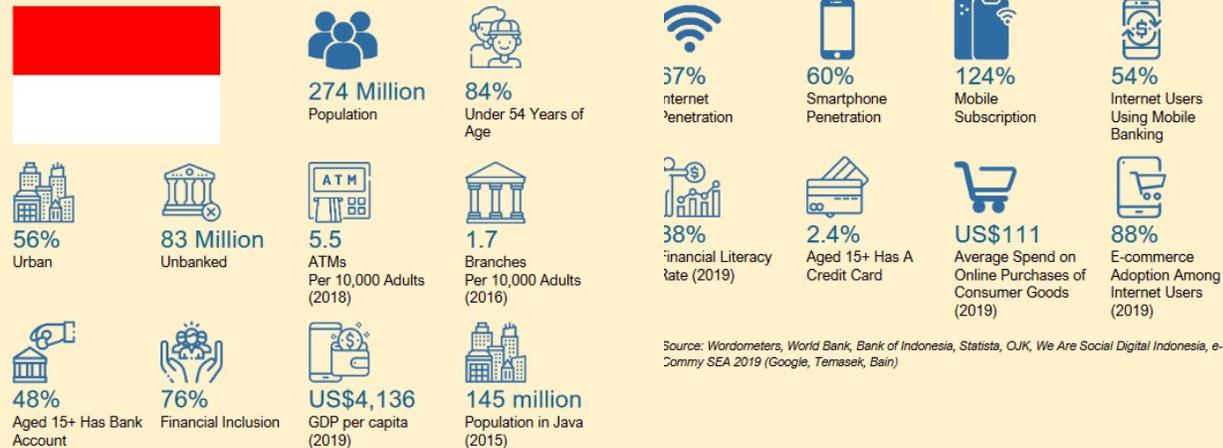


Source: International Monetary Fund, Asian Development Bank.

Part 3 Market Analysis

Untapped Fintech Opportunities

INDONESIA At A Glance



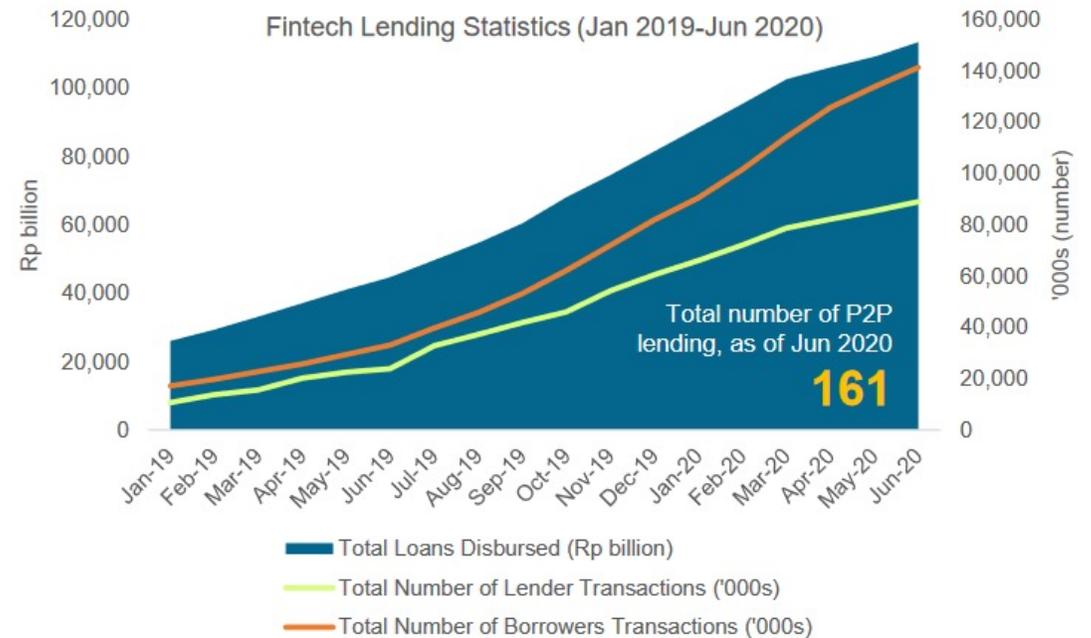
Source: Wordometers, World Bank, Bank of Indonesia, Statista, OJK, We Are Social Digital Indonesia, e-Commy SEA 2019 (Google, Temasek, Bain)

- Currently, a large number of individuals and businesses still have no access to credit in Indonesia. Given that banks may not be able to serve this customer segment in a profitable manner, there is ample room for fintech growth.
- Moreover, increasing Internet and smartphone penetration, fueled by collaborations with other digital platforms (e.g. e-commerce, ride-hailing, logistics) will drive growth in the Indonesian fintech industry.

Part 3 Market Analysis

Continued Market Growth

- According to the MSME Ministry, Indonesia had 64 million MSMEs in 2018, of which 63 million are micro businesses. The MSME sector has absorbed 97% of workers, thereby contributing 61% to the country's gross domestic product. These MSMEs are highly underserved as they are costly to serve due to lack of credit information and history. According to the government, around 41 million MSMEs have access to credit from financial institutions while 23 million are not bankable. According to Asian Briefing, only eight million MSMEs have an online presence.
- In 2019/2020, increased P2P lending companies develop AI-powered credit scoring models and alternative lending solutions to serve the large, underserved population. As per 2020, total funding from P2P platforms reached IDR 113.46 trillion (USD7.7 billion) with close to 26 million borrowers, from over 160 fintech companies listed with the OJK, according to data from Bank Indonesia.



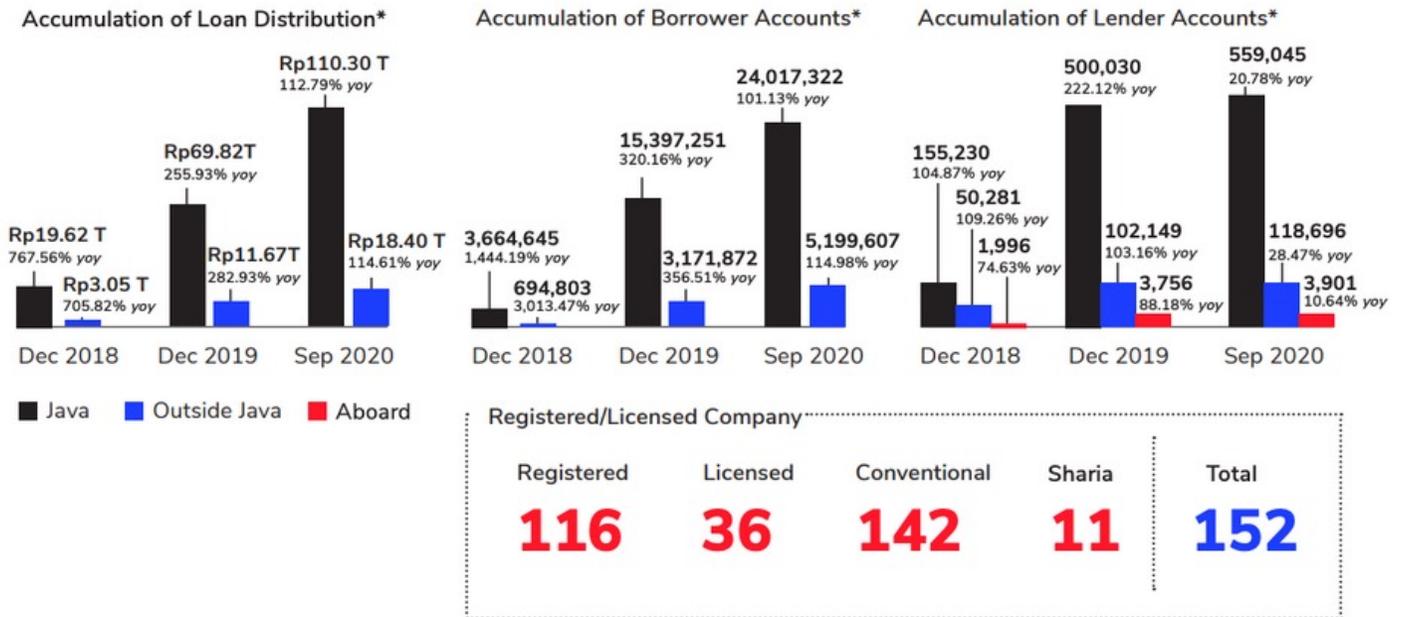
Source: Otoritas Jasa Keuangan (OJK)

Part 3 Market Analysis

Continued Market Growth

- With COVID-19 forcing consumers to move to digital channels, the fintech sector experienced growth in 2020 amid physical restrictions.
- Total volume in alternative financing in 2020 reached IDR 128.7 trillion (US\$9 billion) in September, more than doubling 2019's levels. The number of borrower accounts also doubled in 2020, surpassing 29 million.

Figure 03. Fintech Lending Statistic/OJK



Fintech Lending Statistic/OJK, Source: Fintech Report 2020, DSRResearch in partnership with CIMB Niaga, Dec 2020

Part 3 Market Analysis

Government Support & Regulations

- Indonesia recognizes contributions from Fintech Lending as potential “vehicles” to promote wider financial inclusion which is necessary to fully optimize Indonesian economic potential. The Indonesian government has used a principle-based and market conduct approach to craft regulations, accelerate innovation, and drive collaboration between multiple stakeholders, while also ensuring customer protection.
- The Fintech sector in Indonesia is regulated by two separate institutions: (i) the central bank (Bank Indonesia / “BI”) for fintech related to the payments system, such as payment gateways, e-money, e-wallet, etc.) and (ii) the Financial Services Authority (“OJK”) for fintech related to lending and all other aspects of fintech.
- OJK has established regulations concerning Digital Financial Innovation, Peer-to-Peer Lending, Equity Crowdfunding, Digital Banking, and regulatory sandbox, established OJK Fintech Center, officiated the Fintech Association (AFPI and AFI), as well as conducted the “Fintech Days” socialization events as part of its strategic initiative to support the growth of Fintech Lending and propel innovation in Digital Financial services.

October 2015	OJK established the “AFTECH” (Asosiasi FinTech Indonesia).
August 2016	OJK Regulation No. 77/POJK.01/2016
April 2017	OJK Circular No. 18/SEOJK.02/2017
August 2018	OJK Regulation No. 13/POJK.02/2018; The sandbox regime and pre-audit mechanism were adopted.
December 2018	The “AFPI” (Asosiasi Fintech Pendanaan Bersama Indonesia) was acknowledged by OJK to set out certain criteria for Fintech companies.
January 2019	OJK published an updated regulation to control and supervise the Fintech industry.



Part 4

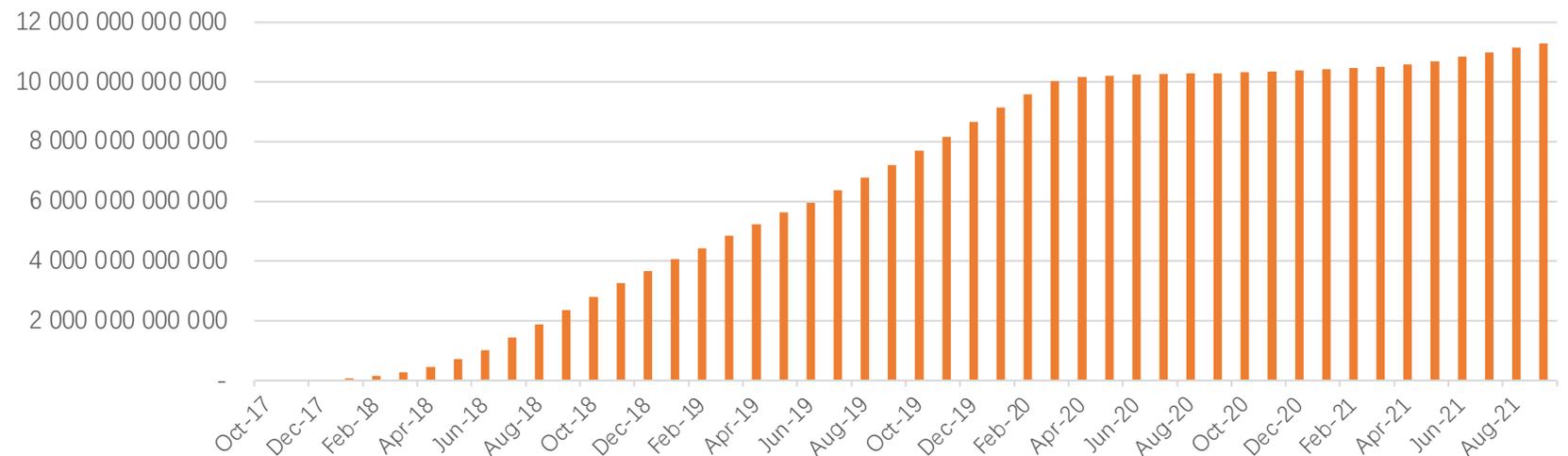
DanaRupiah Overview

Part 4 DanaRupiah Overview

Innovation-driven Fintech Leader in Indonesia

- Established in August 2017, DanaRupiah has been at the frontier of innovation in the fintech industry through the utilization of technologies such as data mining and artificial intelligence. By providing unsecured credit services to local blue-and-white-collar workers, it has become one of the leading non-bank fintech lending companies in Indonesia with more than USD 1.2 billion of cumulative loan disbursement and 7 million registered users. We have achieved exponential growth in 2021 and is riding this momentum to expand the business further.

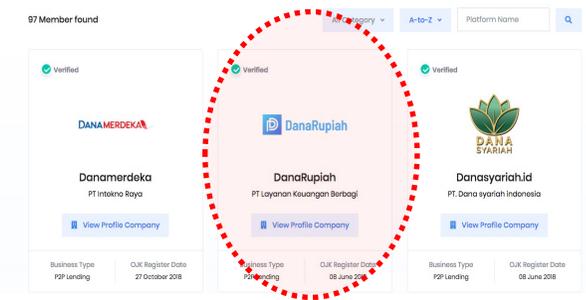
Cumulative Loan Disbursement (IDR)



Part 4 DanaRupiah Overview

OJK Registration & Fintech Membership

- DanaRupiah registered with OJK on June 8, 2018, was issued a P2P license on May 18, 2020 and is in the midst of applying for a multi-finance license. DanaRupiah is also a member of AFTECH and AFPI.



OJK Registration & Fintech Membership



PERUSAHAAN FINTECH LENDING BERIZIN DAN TERDAFTAR DI OJK

PER 17 NOVEMBER 2021

Izin Usaha Terdaftar

Nomor	Nama Sistem Elektronik	Website	Nama Perusahaan	Surat Tanda Berizin/Terdaftar	Tanggal	Jenis Usaha	Sistem Operasi
29.	DanaRupiah	danarupiah.id	PT Layanan Keuangan Berbagi	KEP - 18/D.05/2020	19 Mei 2020	Konvensional	Android dan iOS
30.	Taralite	www.taralite.com	PT Indonusa Bara Sejahtera	KEP - 19/D.05/2020	19 Mei 2020	Konvensional	-
31.	Pinjam Modal	pinjammodal.id	PT Finansial Integrasi Teknologi	KEP - 20/D.05/2020	19 Mei 2020	Konvensional	Android dan iOS
32.	ALAMI	p2p.alamisharia.co.id	PT Alami Fintek Sharia	KEP - 21/D.05/2020	27 Mei 2020	Syariah	Android dan iOS

Diversified Loan Products

- DanaRupiah primarily provides personal loans, productive loans and training & education loans to individuals in Indonesia. Its core product is personal loans which account for more than 99% of the whole portfolio. Tenure of loans range from Short term to installment loans.

Loan Portfolio Summary

Loan Amount	IDR 300,000 ~ IDR 30,000,000
Loan Term	26~90 days
Loan Purpose	Turnover funds for emergency need and daily consumption
Average Number of Loans	217,704 loans per month
Interest Rate	0.4 to 0.8% per day

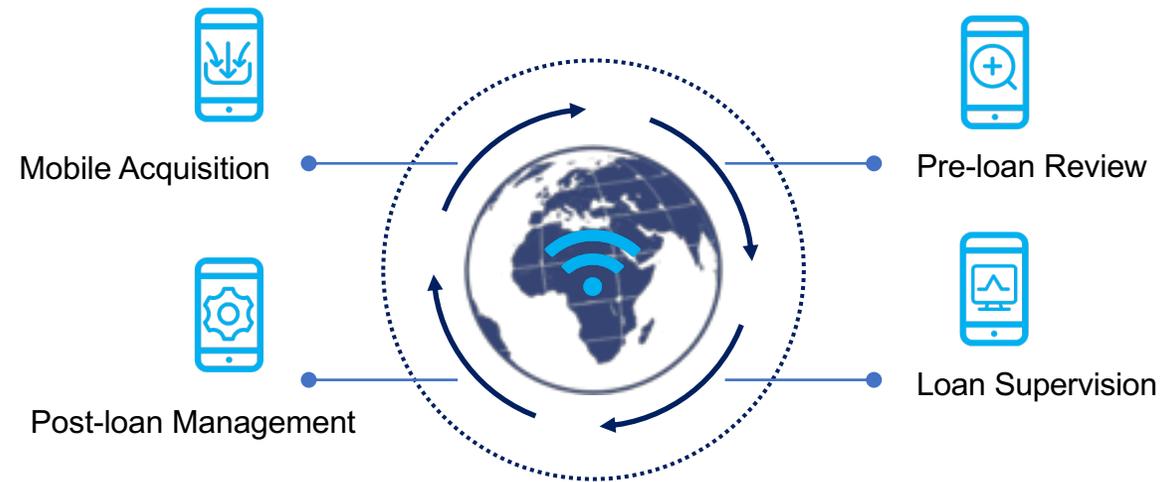
Personal Loans

	Fast	Transferred within 1 hour and the whole process verified automatically;
	Easy	Without collateral and operation all through the mobile end system;
	Low Interest	Data processing cost 0.3%, risk assessment cost 0.362%, interest 0.038%, commission fees 0.1%.

Part 4 DanaRupiah Overview

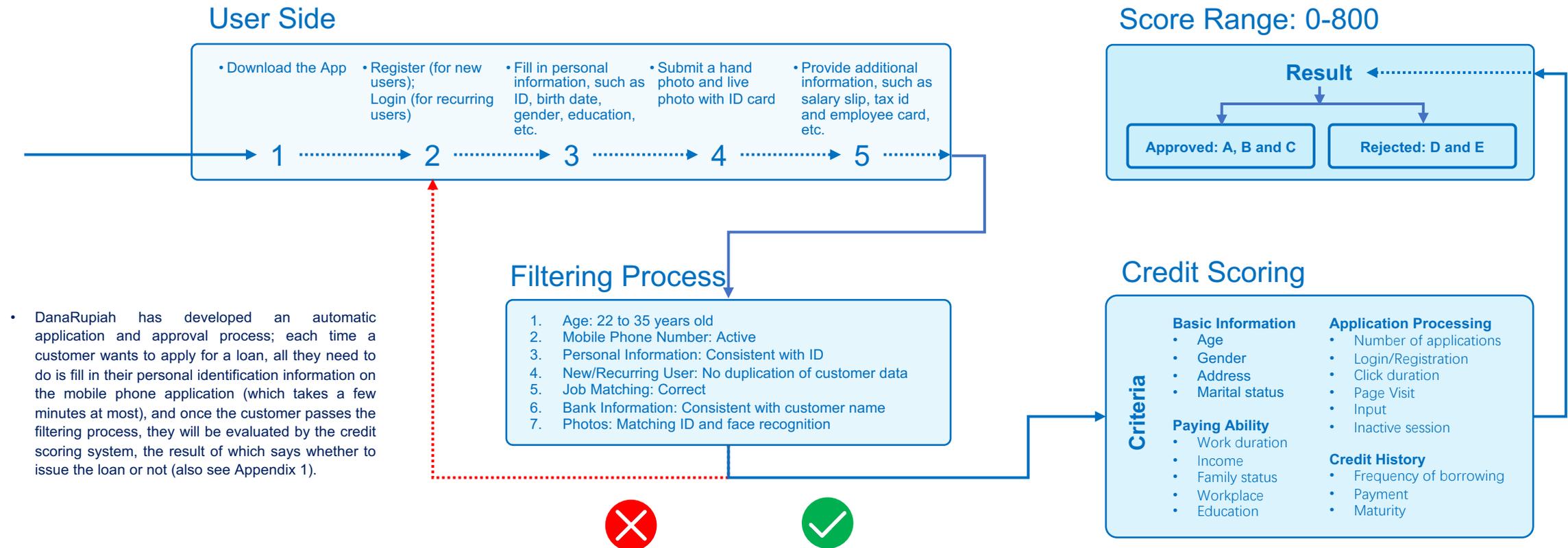
Automated Online Process

- DanaRupiah is a pioneer in adopting the wholly-online model based on the mobile-end systems, and achieves the automation and digitalization of the process from customer acquisition to loan application and review, loan disbursement and post-loan management, which has greatly reduced the operational costs.



Part 4 DanaRupiah Overview

Automatic Loan Underwriting Process



Standardized Debt Collection Process

- The sister company of DanaRupiah has 250 inhouse employees specialized in debt collection across Indonesia, including Surabaya, Semarang, Bandung, Jakarta, Cengkareng, Mangga Dua, Ruko GSA, etc.
- The external collectors from outsourced companies include another 250 employees located in Lombok and Jakarta. Customers are sent an SMS reminder one day before the their repayment date.
- The debt collection process for overdue loans are detailed as the chart shows:

Days Overdue	Recommended Solutions
1	Deliver an automatic voice call to remind the customer of the repayment when the loan is overdue 1 day.
2-5	Call the customer to repay the loan (no more than three calls a day).
6-15	In the case that the customer cannot be reached on the phone, the collection commissioner will call some emergency contacts previously.
16-90	If the customer is unable to be reached or shows no good intention for repayment, SMSs will be sent and phone calls made for three consecutive days. Thereafter, if the customer does not pay or call back, the collector will start to call the emergency contacts previously authorized by the customer to remind them of the repayment (no more than five calls per day to each contact).
90+	When the loan is overdue more than 90 days and if the customer has no willingness to repay, a professional external agent from an outsourced company will be hired to make phone calls.

Partnerships with Major Banks and Media

<p>Mitra Bank</p>	
<p>Mitra Media</p>	



Part 5

Risk Management

Advanced Big Data Collection Technology



Mass Data

- 880TB +

Processing Capacity

- 220,000 times per second



Positive & Negative

- 50+ vertical data collection models
- 70+ blacklists covering over 30 million users

Multiple Input

- 100+ credit input
- 10000+ basic tags



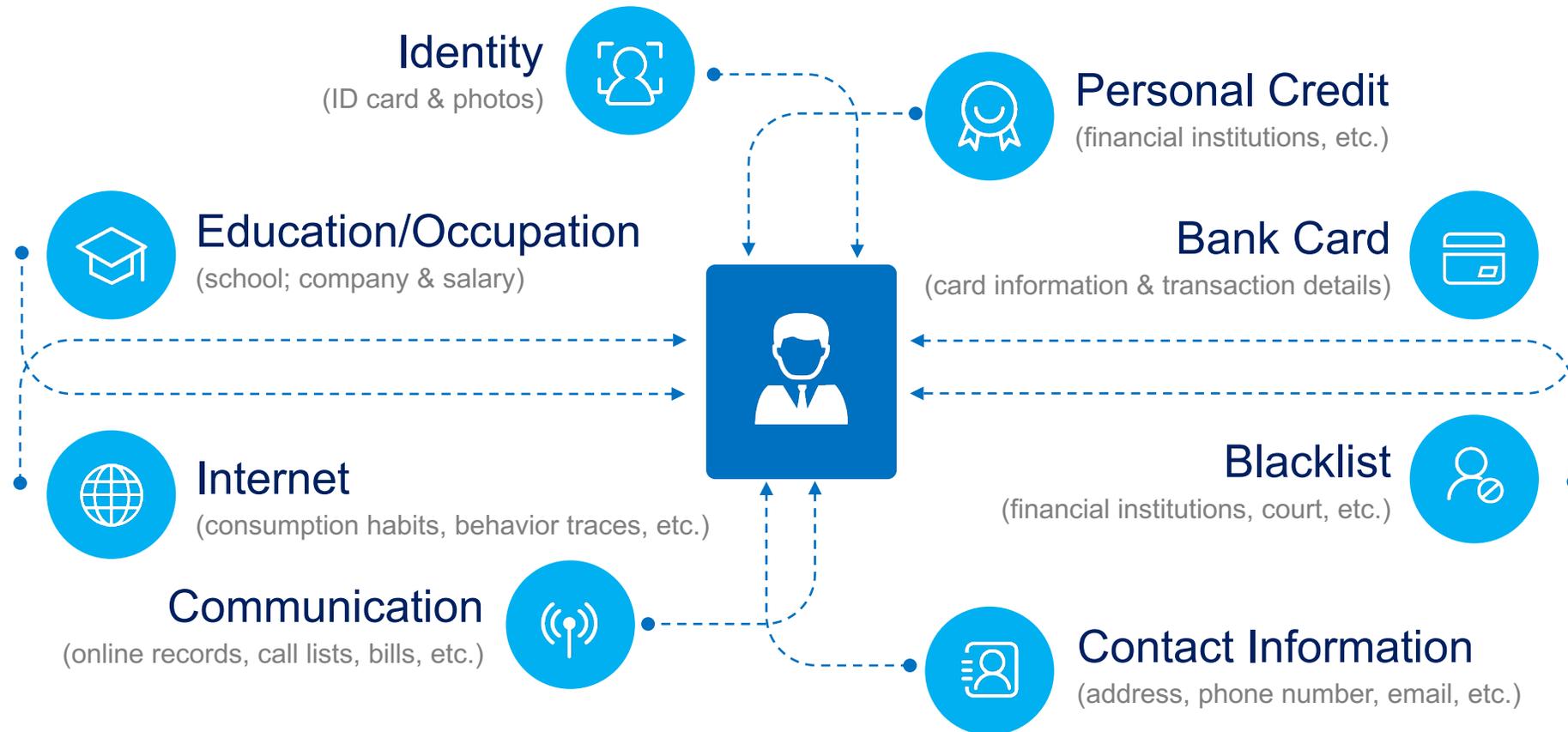
Dense & Sparse Processing

- Sparse processing of low-value data
- Dense processing of high-value data

Diversified Sources

- Users' offering
- Third-party data
- User behavior data

Multi-dimensional Customer Database



Customized Risk Control Model

10+

Antifraud Models

280+

Credit Models

80+

Behavior Risk Models

50+

Post-loan Management
Models

Anti-fraud System

Combining third-party credit information and historical collection of big data, over 10 anti-fraud models have been established to create a strong capacity of fraud identification and filtering.

Big Data Scoring & Prediction Model

Borrowers are scored based on more than 1 billion pieces of data. Over 280 credit risk models have been established to classify the transaction risk and predict overdue payments.

Transaction Risk Identification & Processing System

During the transaction process, borrowers will be continuously monitored. There are over 80 transaction behavior risk models deployed to intercept suspicious transactions in real time.

Automatic Learning System

Machine learning accumulates information and improves the automated review and approval rules.

Part 5 Risk Management

Regulatory Measures

- By registering with OJK and joining AFTECH and AFPI, DanaRupiah keeps updated of the latest regulatory changes as the fintech industry is still evolving in Indonesia. It also contributes to the growth of fintech lending through advanced technological development and improved business operation.
- DanaRupiah is committed to following Fintech rules and meeting OJK's regulatory standards. It attends all the events held by OJK and Fintech associations and has a dedicated team to mitigate regulatory risks. Currently, DanaRupiah reports all the necessary information related with its disbursements and collections to OJK on a monthly and yearly basis.



DanaRupiah Offering Productive Loans to Indonesian Farmers in July 2019



BI Bank Visiting DanaRupiah on April 22, 2019

Thanks

DanaRupiah

One of the Leading Fintech Platforms in Indonesia
December 2021

